

FEB 7 - 2002

by Council Liaison's Office

Memorandum

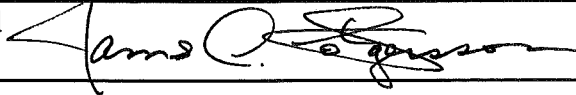
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 5, 2002

Approved



Date

02 . 06 . 02

COUNCIL DISTRICT: Citywide

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING UNDER THE DIRECTOR'S DELEGATION OF AUTHORITY FOR THE PERIOD JANUARY 1, 2001 TO DECEMBER 31, 2001

BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority"), codified in Chapter 5.06 of the Municipal Code. On May 23, 2000, the Delegation of Authority was amended by Ordinance No. 26127 to clarify certain sections and add several other provisions.

The Department is required to report to the City Council on these activities on an annual basis. The subject report covers the period from January 1, 2001 to December 31, 2001.

ANALYSIS

The Delegation of Authority ordinance authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or grant Housing and Homeless funds, Predevelopment funds and Housing Rehabilitation Program funds; to negotiate and execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; and to make other technical changes under the Director of Housing's Delegation of Authority.

Under these parameters, the Director of Housing has taken the following actions in calendar year 2001:

Predevelopment Loans

Evans Lane Apartments: On May 31, 2001, a CDBG Predevelopment loan to Community Home Builders and Associates for the Evans Lane Family Apartments was approved in the amount of up to \$90,000 according to CDBG guidelines adopted by the City Council on April 23, 1991. Under the proposed affordability structure, 24 units will be affordable to extremely low-income households, 48 units will be affordable to very low-income households, 165 units will be affordable to low-income households, and three will be unrestricted managers' units.

Quimby Road Apartments: On June 5, 2001, a CDBG Predevelopment loan to Community Home Builders and Associates for the Quimby Road Apartments was approved in the amount of up to \$94,000 according to the CDBG guidelines adopted by the City Council on April 23, 1991. Under the current structure, the Sponsor is proposing either 120 units of affordable senior apartments or 98 affordable family apartments.

Increases in Council-Approved Loan Amounts

Las Plumas Transitional Housing: On March 19, 2001, the \$100,000 Predevelopment loan to Concern for the Poor, Inc. on the Las Plumas Transitional Housing development, was increased by \$10,000 for a total of \$110,000 to pay for additional environmental studies performed at the site. On July 9, 2001, the predevelopment loan to Concern for the Poor, Inc. for the Las Plumas Transitional Housing was amended to extend the maturity date to April 28, 2002. Under the proposed structure, all 51 units will be affordable to extremely low-income households. (Note: this project is now being reconsidered, with the probable result being a like project at another location. The cost of these predevelopment activities will be recouped upon sale of the Las Plumas property.)

Betty Anne Gardens: On April 23, 2001, the \$2,265,630 acquisition and predevelopment loan to First Community Housing for the Betty Anne Gardens Apartments was increased by \$226,000, for a total of \$2,491,630, to cover the costs of demolition of existing structures on the site and additional architectural fees and services needed to complete the construction drawings. The proposed project is an 80-unit rental complex affordable to extremely low-, very low-, low- and moderate-income households.

Craig Gardens Apartments: On October 4, 2001, the \$4,435,000 construction loan to Craig Gardens, L. P. on the Craig Gardens Apartments, was increased by \$410,210, for a total of \$4,845,210, to pay for anticipated construction hard costs. The proposed development is a 90-unit rental complex affordable to extremely low- and very low-income households.

Loan Defaults, Foreclosures and Write Offs:

None for this period.

Applications for Federal or State Funding Assistance:

On February 7, 2001, the Housing Department submitted an application to the Cal-Home program and was awarded a \$500,000 grant to be utilized for owner-occupied rehabilitation loans. The City Council approved the receipt and execution of the grant on October 16, 2001.

Other Changes to Terms and Conditions of Council Approved Loans:

Midtown Ownership/Crescent Parc: On April 27, 2001, the City's Construction Loan Agreement with Green Valley Corporation for the Midtown Ownership/Crescent Parc development was amended to increase the maximum subordination amount from \$12,215,775 to \$12,400,000. It was deemed preferable to the City to have the private construction loan increased rather than to increase the City's loan amount in order to complete this project.

Housing and Homeless Fund

Below are the disbursements from the Housing and Homeless Fund:

<u>Center for Education and Opportunity</u>	\$58,800
<u>Concern for the Poor</u>	\$42,300
<u>Emergency Housing Consortium</u>	\$56,000
<u>Innovative Concepts Transitional Housing, Inc.</u>	\$50,000
<u>Inn Vision (Cecil White Center)</u>	\$48,739
<u>Rebuilding Together Silicon Valley</u>	\$59,003
<u>San José First Community Services</u>	\$22,880
<u>Unity Care</u>	\$30,619
<u>Volunteers of America (Brandon House)</u>	\$41,000
<u>Volunteers of America (Brandon House)</u>	\$67,304

HONORABLE MAYOR AND CITY COUNCIL

February 5, 2002

Subject: Report on Activities Undertaken by the Director of Housing

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Housing Rehabilitation and Improvement Loans and Grants:

HOUSING REHABILITATION LOANS AND GRANTS FUNDED
1/1/2001 TO 12/31/2001

<u>ACTIVITY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
REHABILITATION LOANS	80	\$4,931,798
REHABILITATION GRANTS	403	\$3,997,518
PAINT GRANTS	802	\$1,916,017

Should you have any questions regarding any of these actions, please feel free to call me at 277-3863.



LESLEYE CORSIGLIA
Acting Director of Housing